

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On Its Own Motion)	
)	No. 07-0483
Development of Net Metering)	
Standards Required by P.A. 95-0420)	

**BRIEF ON EXCEPTIONS OF
COMMONWEALTH EDISON COMPANY**

Commonwealth Edison Company ("ComEd") submits this brief on exceptions with respect to the Proposed Order ("PO") issued by the Administrative Law Judge ("ALJ") on February 20, 2008, in this docket.

Exception No. 1

ComEd's only exception relates to what it believes to be a clerical error in adding certain language to Section 465.50(b)(1)(i) of the proposed final rule. For convenience, ComEd reproduces here the PO's discussion of the issue, to which ComEd does *not* take exception:

Section 465.50(b)(1)(i) Billing for Non-Residential Customers with Generators Over 40 kW that Take Service Under Rates Other than Time of Use Rates.

Section 465.50(b)(1)(i) provides that, for customers with generators over 40 kW that do not take service under a time of use rate, in any month in which a customer/supplier is a net seller of electricity, an electricity supplier shall compensate a customer at the electricity supplier's avoided cost of electricity, multiplied by the net amount of electricity sold to the electricity supplier. When a customer/supplier is a net purchaser, the electricity provider must charge customer/supplier the tariffed or contractual rate.

The AG and the ELPC proffered language intended to clarify that the avoided cost rate mentioned in the Rule applies only to excess kilowatt-hour credits that a generating customer receives in any given month, but not to any electricity that is "netted out." The ELPC provides an example whereby if a facility receives 100 units of power from the grid and supplies 120 units to the

grid in any given month, the first 100 units would “net out” and the customer/supplier would received an avoided cost rate for the excess 20 units. (ELPC Comments at 4; AG Comments at 2-3). The ELPC asserts that charging at the tariffed rate and compensating at the avoided cost rate is not true “net metering.” (ELPC Reply Comments at 2).

Staff, however, avers that this recommendation is not workable for the utilities that have tariffs, in which, there are multiple costs that are avoided. It is not clear, Staff continues, which avoided cost should be applied to the excess kilowatt-hours generated. Staff contends that adoption of the language proffered by these entities would, in all likelihood, create new problems, such as unnecessary changes to existing tariffs. (Staff Comments at 3-4).

ComEd maintains that it has two tariffed avoided cost rate structures. Because there is no way to determine when (what time of day) a net metering customer's generation takes place, ComEd cannot determine, with certainty, what cost is avoided. ComEd's solution to this dilemma is to compensate a net metering customer for all generation put onto the grid at rates approximate to the times that the customer's generation took place. It asserts that this generation is excess, meaning that it is only introduced onto the grid if it exceeds a customer's usage at any point in time. (ComEd Reply Comments at 2-3).

Analysis and Conclusions

We decline to adopt the language offered by the AG and the language offered by the ELPC. This language creates unnecessary confusion and it does not address the situation described by ComEd, where it is not possible to determine what cost is avoided. Moreover, the ELPC offers no evidence establishing that “true” net metering requires electricity providers to bill in the manner it describes.

Thus, the PO declines to add the language suggested by AG and ELPC concerning the application of the avoided cost rate only to excess generation. Nonetheless, the very language requested by ELPC – the words “multiplied by the net amount of electricity sold to the electricity provider” – was added to the text of the rule. It is this language that poses the potential problems discussed in the portion of the PO reproduced above and which the PO specifically declined to adopt. Its addition to the

rule, therefore, can only have been a clerical error and it should be deleted as set forth below.


Proposed Alternative Language:

465.50 Electricity Provider Billing for Eligible Customers

- b) Billing for non-residential eligible customers with generators over 40 kW and no greater than 2,000 kW.
 - 1) Customers taking service under rates other than time of use rates
 - i) The electric utility shall determine whether the customer is a net purchaser of electricity or a net seller of electricity during the billing period. If the customer is a net purchaser of electricity during the billing period, the electricity provider shall apply the applicable tariffed or contract rate, as applicable, to the net amount purchased. If the customer is a net seller of electricity, the electricity provider shall compensate the customer at the electricity provider's avoided cost of electricity supply, ~~multiplied by the net amount of electricity sold to the electricity provider.~~ For purposes of calculating the customer's electricity bill, any credits may be used to offset other charges assessed by the electricity provider.

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

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CERTIFICATE OF SERVICE

I, Michael S. Pabian, do hereby certify that I caused a copy of the foregoing Reply of Commonwealth Edison Company to be served on the parties to this docket by electronic mail this 26th day of February, 2008.

A handwritten signature in cursive script, reading "Michael S. Pabian", is written over a horizontal line.